

**CO-OPERATIVE FEDERATION
OF VICTORIA LTD**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

To the members,

Your directors submit their report, together with the accounts of the Federation, for the year ended 30 June 2012.

DIRECTORS

The Directors in office during the year and up to the date of this report are:

Diane BATTERHAM (Resigned 20 June 2012)
John Niel BLACK
David Graham DINNING
Shirley FARAM
Anthony Francis O'SHEA
Rowan DOWLAND (Resigned 16 February 2012)
Bill BODMAN (Appointed 8 May 2012)

COMPANY SECRETARY

Mr David Griffiths held the position of secretary at the end of the financial year.

PRINCIPAL ACTIVITIES

The principal activities of the Federation in the course of the financial year were:

- Maintaining relations with the Registry of Co-operatives
- Maintenance of Australian Co-operative portal <www.australia.coop>
- Promoting the Co-operative option
- Conducting seminars and workshops
- Participating in meetings of the Co-operatives Council of Australia
- Development of a Co-operative education program
- Fostering co-operation between Co-operatives.

OPERATING RESULTS FOR THE YEAR

The loss of the Federation for the financial year after provision for income tax was \$5,037 (2011 surplus \$8,515).

ENVIRONMENTAL REGULATION

The Co-operative's activities are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

The Directors recommend that no amount should be paid by way of dividend. No amount has been paid or declared by way of dividend since the end of the previous financial year.

REVIEW OF OPERATIONS

The Federation concluded the financial year with an operating loss of \$5,037 after provision for income tax compared to a surplus of \$8,515 for the previous year.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Federation over the year.

INFORMATION ON DIRECTORS

Diane Batterham

Director (Resigned as a Director on 20 June 2012 due to an imminent cessation of employment by Westgate Health Co-operative Ltd and therefore ineligible to be a director of the Federation)
General Manager of Westgate Health Co-operative Ltd.

John Niel Black

Past Chairman
34 years experience as Co-operative Director

David Graham Dinning

Independent Director
34 years as a Director and Manager and full-time professional at various levels of the Credit Co-operative movement in Australia and overseas.

Shirley Faram

Director
Director of South East Housing Co-operative Ltd

Anthony Francis O'Shea

Chairman (resigned as Chairman 14 July 2012)
Director and Secretary, Avoca District Co-operative Ltd
37 years experience as Co-operative Director/Manager

Bill Bodman

Director
Director & Deputy Chair, Murray Goulburn Co-operative Ltd

Five board meetings were held during the 2011/12 year. The attendances at board meetings were:

Name	Number of Meetings Attended	Number of Meetings Eligible to Attend
D. Batterham	2	5
N. Black	5	5
D. Dinning	4	5
S. Faram	5	5
A. O'Shea	5	5
R. Dowland	2	3
B. Bodman	1	1

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

DIRECTORS EMOLUMENTS

Directors are not paid any fees for services as a director. The directors were paid for consultancy services and reimbursements as follows:

	Consultancy Fees \$	Reimbursements \$	Total \$
A. O'Shea	-	6,924.72	6,924.72
N. Black	-	-	-
D. Dinning	-	323.49	323.49
D. Batterham	-	-	-
S. Faram	-	-	-
R. Dowland	-	-	-
B. Bodman	-	-	-
	<hr/>	<hr/>	<hr/>
Total	-	7,248.21	7,248.21

Excepting the amounts disclosed above, since the end of the previous financial year, no Director of the Federation has received or become entitled to receive a benefit, by reason of a contract made by the Federation with the Director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest.

No director has an interest in a contract which the directors are entitled to a benefit which confers a right to call for or deliver shares in, or debentures of or interest in a registered scheme made available by the Federation or a related body corporate.

AFTER BALANCE DATE EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the Federation's operations for the next succeeding financial year.

INDEMNIFYING OFFICERS OR AUDITORS

The Federation has paid a premium to insure directors and officers against liability for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the Federation, other than conduct involving wilful breach of duty in relation to the Federation.

The Federation has not given or entered into an agreement to indemnify any person who is or has been an officer or auditor of the Federation in relation to defending legal proceedings.

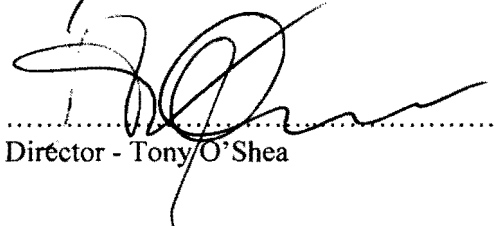
CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS' REPORT

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Directors.

Signed on this 11 day of ~~August~~ ^{SEPTEMBER}, 2012.


.....
Director - ~~David Dinning~~ J.N. BLACK


.....
Director - Tony O'Shea

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**INCOME STATEMENT
YEAR ENDED 30 JUNE 2012**

	Notes	2012 \$	2011 \$
INCOME			
Consultancy Fees		21,800	29,345
Co-operative Education Programs		7,000	7,200
Membership Subscriptions		12,455	19,150
Interest Received		699	1
		<u>41,954</u>	<u>55,696</u>
EXPENSES			
Accounting Fees		737	715
Advertising		-	187
Bank Charges		60	30
Co-operative Education Programs		6,458	7,158
Conference		2,909	-
Fees & Levies		116	48
Honorariums	5	5,112	5,112
Insurance		1,760	1,760
Internet & Website Costs		1,534	-
Meeting Expenses		1,436	2,053
Office & Computer Requisites		2,091	1,293
Postage, Printing & Stationery		275	2,194
Secretary's Consulting Fees		17,419	23,112
Sundry Expenses		160	-
Telephone, Fax & Internet		1,784	2,090
Travel and Accommodation Reimbursements		5,140	1,429
		<u>46,991</u>	<u>47,181</u>
Operating (Deficit)/Surplus Before Income Tax		(5,037)	8,515
Income Tax Expense Attributable to Operating Surplus	2	<u>-</u>	<u>-</u>
Operating (Deficit)/Surplus After Income Tax		<u>(5,037)</u>	<u>8,515</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**BALANCE SHEET
AS AT 30 JUNE 2012**

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash at Bank		6,504	12,070
Term Deposit		10,375	10,001
Trade Debtors		1,500	1,670
Other Debtors		325	-
		<hr/>	<hr/>
Total Assets		18,704	23,741
		<hr/>	<hr/>
CURRENT LIABILITIES			
Sundry Creditors		1,333	1,333
		<hr/>	<hr/>
Total Liabilities		1,333	1,333
		<hr/>	<hr/>
NET ASSETS		17,371	22,408
		<hr/>	<hr/>
EQUITY			
Share Capital	3	570	570
Reserves		1,106	1,106
Retained Surplus		15,695	20,732
		<hr/>	<hr/>
Total Equity		17,370	22,408
		<hr/>	<hr/>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2012

	Ordinary Shares	Retained Surplus	Forfeited Share Reserve	Statutory Reserve	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2010	570	12,217	790	316	13,893
Operating Surplus	-	8,515	-	-	8,515
Balance at 30 June 2011	570	20,732	790	316	22,408
Operating Deficit	-	(5,037)	-	-	(5,037)
Balance at 30 June 2012	570	15,695	790	316	17,371

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

**CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2012**

	Notes	2012 \$ Inflows (Outflows)	2011 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from operating activities		41,425	54,475
Cash Payments from operating activities		<u>(46,991)</u>	<u>(45,848)</u>
Net Cash (Used in)/Provided by Operating Activities	4(b)	<u>(5,566)</u>	<u>8,627</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Investments Purchased		<u>-</u>	<u>(10,000)</u>
Net Cash Provided by Financing Activities		<u>-</u>	<u>(10,000)</u>
Net (decrease)/increase in cash held		(5,566)	(1,373)
Cash at the beginning of the financial year		<u>12,070</u>	<u>13,443</u>
Cash at the end of the financial year	4(a)	<u>6,504</u>	<u>12,070</u>

The accompanying notes form part of the accounts.

CO-OPERATIVE FEDERATION OF VICTORIA LTD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the Co-operative is a non-reporting entity because there are no user's dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members and satisfy the financial reporting requirements of the Co-operatives Act 1996.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a) Plant and Equipment

Plant and equipment are included at cost. All assets are depreciated over their useful lives by the straight line method.

b) Income Tax

The charge for current income tax expense is based on the surplus for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

The Organisation applies the mutuality principle which excludes income from members from taxable income.

CO-OPERATIVE FEDERATION OF VICTORIA LTD
NOTES TO AND FORMING PART OF THE ACCOUNTS
YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
2. Income Tax Expense		
a) The prima face tax payable on operating surplus/(deficit) is reconciled to the income tax provided in the accounts as follows:		
Operating (Deficit)/Surplus before Income Tax	(5,037)	8,515
Add back Exempt Mutual Income	<u>5,431</u>	<u>(8,514)</u>
Tax Profit	<u>394</u>	<u>1</u>
Income Tax Expense	<u>-</u>	<u>-</u>
3. Share Capital		
Issued capital: 285@\$2 shares	<u>570</u>	<u>570</u>
4. Cash flow Statement Information		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank – Bendigo Bank	<u>6,504</u>	<u>12,070</u>
(b) Reconciliation of operating surplus/(loss) to net cash flows from operation as follows:		
Operating (Deficit)/Surplus After Income Tax	(5,037)	8,515
Decrease/(Increase) in investments	(374)	-
Decrease/(Increase) in debtors	170	(1,220)
Decrease/(Increase) in other debtors	(325)	-
(Decrease)/Increase in creditors	<u>-</u>	<u>1,332</u>
Cash flows (used in)/provided by operations	<u>(5,566)</u>	<u>8,627</u>
5. Honorariums	<u>5,112</u>	<u>5,112</u>

Honorarium payments are to the Secretary. The Secretary is the sole recipient of any honorarium payments.

CO-OPERATIVE FEDERATION OF VICTORIA LTD

DIRECTORS DECLARATION

The Directors have determined that the Federation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors declare that:

1. The financial statements and notes, as set out on pages 4 to 11:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Co-operatives Act 1996*; and
 - b. give a true and fair view of the Federation's financial position as at 30 June 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable.

Signed this 11th day of September, 2012 in accordance with a resolution of Directors.

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Director - ~~David Dinning~~ NIEL BLACK

.....
Director - Pony O Shea

CO-OPERATIVE FEDERATION OF VICTORIA LTD

COMPILATION REPORT

We have compiled the accompanying special purpose financial statements of Co-operative Federation of Victoria Ltd, which comprise the Balance Sheet as at 30 June 2012, Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Directors of Co-operative Federation of Victoria Ltd are solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

On the basis of information provided by the Directors, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315 Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors and members of the company. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

Prowse Perrin & Twomey
Certified Practising Accountants

20 Lydiard Street South
BALLARAT VIC 3350


Mr T.S. Bunning (Partner)

28 August, 2012